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SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: FIRST UNITED NATIONS DECADE FOR THE ERADICATION OF POVERTY

Observance of the International Year for the Eradication of Poverty (1996) and recommendations for the rest of the Decade

Report of the Secretary-General

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I. INTRODUCTION

1. In one of the major political statements of the last half century the leaders of the world who gathered at the World Summit for Social Development, held in Copenhagen from 6 to 12 March 1995, committed all countries to the goal of "eradicating poverty in the world, through decisive national actions and international cooperation"[1]

2. It will be recalled that the General Assembly, on 20 December 1995, adopted resolution 50/107, entitled "Observance of the International Year for the Eradication of Poverty and proclamation of the first United Nations Decade for the Eradication of Poverty". At its fifty-first session, the Assembly adopted resolution 51/178, entitled "First United Nations Decade for the Eradication of Poverty". Among other provisions, it resolved that the theme for the Decade would be "Eradicating poverty is an ethical, social, political and economic imperative of humankind" (para. 3).

3. In response to these decisions poverty eradication has become one of the principal areas of concentration throughout the United Nations system. For example, both the United Nations Development Programme (UNDP) and the World Bank have made poverty reduction their predominant objective. Many activities were organized throughout the United Nations system to observe the International Year for the Eradication of Poverty during 1996, which had the theme proclaimed by the General Assembly, "Poverty can and must be eradicated throughout the world". The theme for 1997, "Poverty, environment, and development", received extensive consideration at the nineteenth special session of the Assembly in June 1997.

4. Two major reports have been published this year that describe the extent of poverty, analyse trends and discuss poverty reduction strategies. The first, the Report on the World Social Situation 1997[2] dealt extensively with such issues as the measurement of poverty, trends and patterns of global poverty, and policies for poverty reduction. In addition, the United Nations Development Programme (UNDP) Human Development Report 1997[3] was entirely devoted to eradication of poverty.

5. A third report, the United Nations Conference on Trade and Development (UNCTAD) Trade and Development Report 1997,[4] has as its major theme "Globalization, distribution and growth", and offers rigorous analysis of the forces causing growth of global inequity. Yet a fourth report, published last year, "Poverty reduction and the World Bank: progress and challenges in the 1990s", discusses the issue from the World Bank's perspective.

II. TARGETS AND TRENDS

6. The most comprehensive estimates of poverty have been made by the World Bank, which used as a basis for the assessment those living on US$ 1 or less per day. The World Bank concluded that the incidence of poverty in developing countries and in countries with economies in transition fell slightly from 30.0 per cent in 1987 to 29.5 per cent in 1993, but that the absolute number of the world's poor rose from 1.23 billion to 1.31 billion during the same years.

The overwhelming majority of people living on $1 a day or less are located in sub-Saharan Africa, South Asia and China, but there are many tens of millions also in Latin America, the Caribbean, and West Asia. There is also considerable poverty in developed countries and in countries with economies in transition.

7. The Human Development Report 1997 effectively illuminated the nature of poverty:

> It is in the deprivation of the lives people lead that poverty manifests itself. Poverty can mean more than a lack of what is necessary for material well-being. It can also mean the denial of opportunities and choices most basic to human development - to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and the respect of others.
>
> For policy-makers, the poverty of choices and opportunities is often more relevant than the poverty of income, for it focuses on the causes of poverty and leads directly to strategies of empowerment and other actions to enhance opportunities for everyone.[5]

8. The reports show that many hundreds of millions of people, mostly but not exclusively in East and South-East Asia, are working their way out of poverty and that there are excellent prospects of further reduction in poverty in those regions. The reports also agree that, since the number of people living in absolute poverty is still increasing, changes in strategy and additional policies are essential to prevent the growth of poverty and rapidly reduce the terrible deprivation of those now living in poverty.

9. It is too early to assess trends since the Social Summit, but it is worth recalling the targets for means of reducing poverty adopted in Copenhagen and giving a few relatively recent assessments in order to illustrate the extent of progress that is required.

Education

10. Universal primary education is central in the fight against poverty. The Social Summit set a target of universal access to basic education and completion of primary education by at least 80 per cent of primary school-age children by the year 2000.

11. In recent decades there has been a major expansion of education, but considerable gaps remain. Worldwide enrolment since 1960 in primary and secondary schools has risen from an estimated 250 million children to more than 1 billion. East Asia, Oceania, Latin America and the Caribbean had attained net enrolment in primary education of close to 100 per cent by 1993, and south Asian and Arab States over 90 per cent, but sub-Saharan Africa has a long way to go, with only about 73 per cent enrolment. (Report of the World Social Situation 1997, table 5.1)

12. Enrolment in secondary education still remains unsatisfactory despite progress. Developing countries as a whole increased gross enrolment ratios from 42 per cent in 1990 to 46 per cent in 1993 (sub-Saharan Africa having increased

from 22 per cent to only 23 per cent). In comparison, there is 95 per cent enrolment in the industrialized countries and in countries with economies in transition. The gap in the duration of compulsory schooling between the developing and developed countries remains significant. In most developing countries, education is compulsory for between 4 and 9 years, while in the developed countries, it is compulsory for at least 8 years (10 years in the United States, 11 years in the United Kingdom, 12 years in Germany). (Report of the World Social Situation 1997, table 5.3)

13. As regards the gender gap, in a majority of countries the illiteracy rate among women is significantly higher than for men. According to UNESCO's World Education Report 1995,[6] in 61 countries, the gap between the male and female adult literacy rates is estimated to be higher than 10 per cent, and in 40 countries, it is estimated to be higher than 20 per cent. The report notes that, although the absolute number of illiterate adults appears to have levelled off globally, it is still increasing in sub-Saharan Africa, Arab States, and southern Asia, with women forming a substantial majority in each case.

14. Progress among the signatories to the 1990 World Declaration on Education for All and the Framework for Action (the Jomtien Declaration)[7] was assessed at a meeting held in Amman, Jordan, in June 1996. The key conclusion of the meeting (A/52/183-E/1997/74, annex) was that "there has been significant progress in basic education, not in all countries nor as much as had been hoped, but progress that is nonetheless real". The report went on to state that "the priority of priorities must continue to be the education of women and girls".

Health

15. The Social Summit set four immediate health and nutrition related goals - that by the year 2000

(a) Life expectancy should be not less than 60 years in any country;

(b) Mortality rates of infants and children under five years should be reduced by one third of the 1990 level or 50 to 70 per 1,000 live births, whichever is less;

(c) Reduction in maternal mortality by one half of the 1990 level;

(d) Attainment by all peoples of the world of a level of health that will permit them to lead a socially and economically productive life, and to this end, ensuring primary health care for all.

16. According to the World Health Organization (WHO) The World Health Report 1997,[8] life expectancy for both sexes continued to improve globally, reaching a global average of 65 years by 1996 (63 for men and 67 for women). Progress has been especially good in Asia overall and South-East Asia, in particular, and in the developed countries. But in 50 countries, it was under 60 years for both sexes. In sub-Saharan Africa and Eastern Europe, life expectancy has actually decreased recently.

Hunger and malnutrition

17. The Social Summit set the goal of achieving food security for all. In the developing world, the absolute number and the proportion of undernourished people fell between 1969-1971 and 1990-1992, but in 30 countries the percentage increased. All in all, about 840 million people in the developing world were undernourished in the early 1990s. The situation was worst in sub-Saharan Africa, where the number of undernourished people doubled between 1969-1971 and 1990-1992, affecting 43 per cent of the total population in 1990-1992.

18. The World Food Summit, which was held in Rome from 13 to 17 November 1996,[9] apart from reaffirming "the commitment to eradicating poverty and inequality", also renewed the world's commitment to attacking hunger and malnutrition, and adopted a target to reduce "the number of undernourished people to half their present level no later than 2015". A mid-term review is to be held to ascertain whether it is possible to achieve that target by 2010. A notable related initiative is the "2020 vision for food, agriculture, and the environment" launched by the International Food Policy Research Institute.[10] In its annual report it foresees a fairly good situation in the years to come if rates of investment in agricultural research and development are maintained. Concern has been expressed recently on the decline in the share of ODA dedicated to agriculture. This trend should be quickly reversed.

III. NATIONAL STRATEGIES FOR POVERTY REDUCTION

19. Experience is clarifying the types of policies that work well in the fight against poverty, although conditions in every country differ and national strategies must be the direct result of attention to national conditions. The Copenhagen Declaration and the Programme of Action adopted at the Social Summit are a good guide to the preparation of national poverty eradication strategies. It may be useful to think of such strategy in five parts.

Time-bound national poverty reduction goals

20. First, it is important to set time-bound national poverty reduction goals, as a target to aim for and to ensure a strong focus for policy development and against which achievements can be judged. The leaders meeting at Copenhagen committed themselves to "national policies and strategies geared to ... reducing inequalities and eradicating absolute poverty by a target date to be specified by each country in its national context".[11]

21. Many countries have set national targets. For example, China reported to the General Assembly during the debate on follow-up to the Social Summit during October that its ninth five-year plan (1996-2000) for national economic and social development set out the goal of eradicating poverty by the end of this century. The plan and outline are being implemented in poverty-stricken areas in the form of development-oriented poverty relief. The 1997 Human Development Report notes that about 30 countries have such poverty reduction targets. It is essential that many more do so. Thus, by the year 2000, when the special session of the General Assembly is to be held to review the implementation of the outcome of the World Summit for Social Development, the Assembly would be

able to receive full reports on the enunciation of national targets, strategies for their implementation, and achievements from countries.

22. In this regard, it is appropriate to welcome the recent ministerial decision of the Organisation for Economic Cooperation and Development (OECD) to support a global poverty reduction goal of halving poverty by the year 2015. This decision has the potential to spur action not only in developing countries, but among donor countries, and to offer the international community a clear framework for evaluating actions of both groups of countries.

Sustained strong rates of economic and employment growth

23. Second, is the importance of strengthening economic development through seeking to sustain strong rates of economic and employment growth. A major constraint on the reduction of poverty in many countries has been the slowing of aggregate global rates of economic growth. However in 1996 and 1997, significant positive rates of real per capita growth have been more widespread than in any year since the beginning of the 1980s, offering the prospect of improved conditions for poverty reduction.

24. The reports mentioned above all include a discussion of important factors that contribute to strong growth of opportunities for productive activity. Access to factors of production such as land and credit, education and training, technology and information, and access to markets and to efficient transport and communications infrastructure are crucial. These will encourage entrepreneurship, which is vital to the establishment and growth of small and medium-sized enterprises. Outlays on research and development yield a high rate of return.

25. These outlays will be most effective when they are part of a strategy aiming at labour-intensive growth, which is often in the agricultural, service and small-industry sectors. Not only is the aggregate rate of real economic growth per head important: the nature and quality of that growth are as important. For example, most employment growth in advanced economies during the past decade and a half has been in the service sector, where between 60 and 70 per cent of the employed workforce in those countries are now active. Further, most employment growth has been in the small and medium-sized enterprise sectors rather than in large corporations or government. Economic and employment growth strategies that concentrate on those sectors can be oriented in ways that minimize net energy use and environmental damage.

26. Rural development remains central to poverty reduction efforts and often includes agrarian reform to expand egalitarian small-holder systems, investment in marketing infrastructure and extension of rural credit and savings institutions, and protection of food systems from imports of subsidized food, in order to ensure fair prices to provide incentives for agricultural investment.

27. The Trade and Development Report 1997 shows clearly the importance in the successful East Asian countries of government tax incentives and other incentives to enterprises in all sectors so that they retain and reinvest profits. Retained earnings are commonly the most readily available source of

capital for corporate investment. High levels of private investment are a necessary condition for rapid economic growth.

Framework of public policy

28. This leads into the third aspect of a comprehensive poverty eradication strategy, which is the framework of public policy. Important aspects of effective public policy include democratic, accountable and transparent government; professional, honest, efficient and fair public administration, including of the tax office and legal system; and the universal provision of accessible and freely available services such as primary education, skills training and basic health care. Steady improvements in transport and communication are everywhere essential.

29. The regulatory framework must be attuned to the requirements of individual countries, which will not automatically involve complete deregulation, but rather appropriate regulation with effective enforcement. A rather more careful assessment of what has worked well in other advanced and developing countries can be revealing.

Increasing opportunities for the poor

30. A fourth element should be measures especially targeted at increasing opportunities for the poor and measures aiming for an improvement in the equity of the distribution of income, wealth and power. Measures targeted at support for the poor and at increasing their income-earning opportunities are vital to offset some of the terrible disadvantages of the poor as they attempt to support themselves. Targeted programmes for the poor include those aimed at rural development and at increasing productivity in the informal sector, such as micro-credit arrangements, information and extension services, subsidized employment programmes and special training opportunities.

31. The best redistributive policies are those which are embedded in equitable growth strategies. Growth with equity is quite feasible, and prospects for equitable growth are enhanced when there are also supportive policies such as progressive tax systems, anti-trust legislation and anti-corruption measures. The critical task in the remaining years of the Decade for the Eradication of Poverty is for the extension of those policies which have worked to those parts of the world where they need a more determined application, especially in South Asia, sub-Saharan Africa and parts of Latin America.

32. Both the third and fourth parts of a poverty reduction strategy require significant increases in social spending (including population programmes) as part of public expenditures. Most of these increases have to come from domestic sources, but in the case of low-income countries, ODA is crucial. The Human Development Report 1997 estimates the additional cost of "combating poverty" at about $40 billion a year.[12]

33. Poverty reduction strategies will require a significant increase in public investment and social expenditure as a ratio of overall GDP in a large number of developing countries. The history of poverty eradication in the OECD countries is largely a history of sustained growth supported by the rise of public social

expenditures. Social progress in developing countries will thus also require higher levels of revenue collection - from progressive taxation systems efficiently managed - if social justice is an important element of national goals.

34. The anti-poverty effort will require a switch of resources to the social sectors. Currently, the overall ratio is relatively low in developing countries; partial data suggest that about 13 per cent of national budgets are being spent on basic services. The 20:20 rule is a useful goal: 20 per cent of overseas aid directed to human services matched with 20 per cent of outlays of the recipient countries. Reduction of military spending would release a significant part of the required resources in most countries - developing, transitional and industrialized.

35. The future of the poverty eradication effort in the developing countries will be influenced not only by overall economic growth but also by how ratios such as that of human services to GDP evolve in relation to national income. Higher economic growth will allow greater absolute and proportional government expenditures on social services. Yet recent international discussion about development issues embodies a basic contradiction: developing countries are enjoined, on the one hand, to reduce the role of the state and government expenditures and, on the other, to pay more attention to social sectors and poverty eradication.

36. For those developing countries in which economic growth is forecast to be reasonably high, government expenditures on social services can increase with relative ease. The public sector will need to absorb a larger proportion of GDP to cater to growing social demands, including those for poverty eradication, but this will also require higher levels of revenue collection in those countries. Simply enforcing existing tax laws more effectively would generate the required revenue in many countries.

37. In those countries in which economic growth is expected to be low, especially in low-income countries, a serious dilemma occurs. Poverty eradication will require above all the reinvigoration of economic growth. It would be misleading to expect social progress without such accelerated economic development. Experience shows that accelerated economic growth is a necessary though not a sufficient condition for a significant increase in social expenditures. In a low-growth situation, the ability to raise resources through taxation is tightly constrained. In these countries, additional revenue sources such as ODA and debt reduction will be critical if poverty eradication is to be effective.

IV. INTERNATIONAL COOPERATION IN SUPPORT OF POVERTY REDUCTION

38. Sustained domestic effort alone is therefore not enough. Strengthened international economic cooperation is also essential. Upgrading of the framework of global public goods is essential to improving the prospects of efficient and equitable development for all countries. The fifth element of poverty eradication strategy is thus strengthened international cooperation. Two obvious elements are ODA and debt relief.

39. It is important for donor countries urgently to reverse the decline in ODA to developing countries. According to the OECD's "Development Cooperation 1997 Report", total ODA by Development Assistance Committee members amounted to just 0.25 per cent of their combined GNP in 1996, the lowest figure recorded since comparable statistics began in 1950. Unweighted country effort, though, averaged 0.40 per cent, which illuminates the smallness of the ratio in countries that drag the figure down. Some modest hope for a reversal of the trend in the near future is offered by a few recently elected governments that have announced plans to increase aid, notably those of Norway and the United Kingdom, but other major donors show no sign of plans to increase aid.

40. Several causes for the decline in ODA are clear:

(a) Fiscal restraint in industrialized countries is the principal reason, though the ratio of aid to donor countries' budgets is small;

(b) Information about aid is sometimes unbalanced. While there has been waste and ineffectiveness in some aid programmes, the success stories, especially in East, South-East and South Asia, which were early and large beneficiaries of aid, are not sufficiently publicized. The discussions at the time of the fiftieth anniversary of the Marshall Plan did highlight some of the successes of foreign aid. Many developing countries have undertaken drastic measures to improve domestic policies. This has increased the chances of aid being used more effectively;

(c) The substantial increase in private flows to developing countries may have led to the notion that aid is now less necessary, but it bears repeating that private flows to developing countries are highly nationally selective. Most countries receive little benefit, and even in those countries which benefit from inflows of private capital, concessional capital is still valuable for infrastructure, agricultural development and human services. In low-income countries the need for ODA remains particularly high. Indeed the total need for ODA in the developing world is rising, not declining.

41. Debt reduction is also crucial. Although alleviation measures have helped many countries, such measures not only do not go far enough, but will also take a long period to be fully implemented. Indeed, even when they are fully implemented, the debt burden will continue to weigh heavily on a large number of countries. Total debt of developing countries has risen relentlessly from $1.6 trillion in 1993 to $1.9 trillion in 1995.

42. Regrettably, the political momentum for debt relief has subsided, especially since commercial banks perceive little threat on the debt front. The HIPC (heavily indebted, poor countries) initiative is valuable but even when fully operational will leave untouched much of the debt of severely indebted low-income countries. A further major initiative on debt relief is required to lead to a lasting solution.

43. In a world where international integration is growing rapidly, much more than increased aid and debt relief is required. For example, liberalization of financial markets may well have contributed to increasing capital flows to a dozen or so developing countries, but the resulting increase in financial

volatility in some of them now threatens not only their own development but also that in many others. More effective global means of reducing financial instability are essential. It is also essential for all countries to adopt and maintain responsible macroeconomic policies (though there is room for some disagreement about exactly what they are). It is not enough, however, simply to urge greater fiscal and monetary prudence on individual countries when the forces they are facing are beyond their capacity to contain no matter what their policies.

44. It would be in the interests not only of the business sectors of all countries, but also of the poor, to increase and strengthen the range of measures available to improve the orderliness of international financial markets. The poor and vulnerable generally suffer most from economic and financial disruption because they have so few ways of protecting themselves. It is striking, too, how often adjustment measures recommended for coping with financial crises include cutting wages, reducing public outlays on basic services such as education and health and cutting taxes, and how rarely they include measures that would reduce the income or services of the economically secure.

45. Crucial steps to reducing the risks and costs of financial volatility include (a) strengthening of domestic financial and banking supervision - "finding the right regulatory regime" as recommended by Joseph Stiglitz, the chief economist of the World Bank, (b) increasing international surveillance of economic and financial conditions in neighbouring countries, (c) strictly avoiding sharp interest rate increases, and (d) increasing the transaction cost of short-term financial flows.

46. Similarly, the current lack of equitable balance in the application of trade liberalization doctrine is striking. Unless the developed countries further and effectively reduce the barriers to trade with the developing world, such as their agricultural subsidies, and also recognize the legitimacy of the importance of allowing dynamic change in comparative advantage, the trade liberalization regime will be increasingly perceived as a self-interested instrument of the well off.

V. RAISING AWARENESS AND STRENGTHENING MOTIVATION

47. In relation to the observance of the International Year for the Eradication of Poverty and plans for the First United Nations Decade for the Eradication of Poverty, many United Nations system-wide initiatives were put into place to ensure a coordinated follow-up to the recent global conferences. Several purposes are served by declaration of the Decade: to highlight the severity of the poverty-related deprivation and to raise awareness of the issues; to instigate international and national action to eradicate poverty; and to strengthen commitment to the time-bound goals adopted and recommended by the Social Summit.

48. The issue of poverty has gained global attention thanks to the World Summit for Social Development and the prominence given to the issue by many countries, the United Nations system, including the World Bank, and more recently the OECD.

Within the United Nations context, poverty and poverty-related issues are at the core of deliberations in a wide range of funds and programmes and specialized agencies. To a certain extent, poverty eradication has become a proxy for development issues in general, especially as they relate to the low-income countries. The danger is that poverty eradication becomes just another slogan or that the entire complex of development issues is reduced to poverty eradication only. Both these dangers must be avoided.

49. Of particular relevance to the eradication of poverty are the Administrative Committee on Coordination (ACC) task forces on employment and sustainable livelihoods, on the enabling environment, on gender and on basic social services for all. The task forces have given different parts of the United Nations system an opportunity to prepare coordinated plans and policies for improving the impact of the system on economic and social development including the eradication of poverty. The reports of those task forces were presented to ACC at its October 1997 session.

50. Much activity in the United Nations funds and programmes and the World Bank has focused on preparing national level analyses and reports. In his annual report, the UNDP Administrator stated that as part of the follow-up to the World Summit for Social Development by the end of 1997 over 100 countries will have national 'human development reports'. These reports have several objectives, but they do constitute an excellent basis for poverty eradication plans. In the aftermath of the World Summit for Social Development, UNDP has also initiated projects under the rubric 'Poverty strategies initiatives' in about 60 countries. It is crucial that this work be closely geared to the poverty eradication goals of the Copenhagen commitments.

51. Poverty reduction now has a more prominent place in the activities of the World Bank. The basis for action is the national poverty assessment, of which 93 had been completed by about the middle of this year. UNICEF, in its progress report on follow-up to the World Summit for Children, indicated that by the end of 1996, 167 countries had signed the Summit Declaration and that 155 countries had finalized or were in the process of finalizing their national plans of action. Some 50 countries have formulated substantial programmes of action and a further 26 are planning to do so. Other agencies such as the International Labour Organization and the Food and Agriculture Organization of the United Nations have given and are giving concentrated attention to poverty reduction.

52. The nineteenth special session of the General Assembly on the overall review and appraisal of the implementation of Agenda 21 in June this year gave particular attention to eradicating poverty. The section of the report of the Ad Hoc Committee of the Whole (A/S-10/29) effectively summarizes the themes that have been discussed in this report.

53. This increased emphasis within the United Nations system on strategies and policies related to poverty is a direct response to the decisions of the General Assembly. However, several issues need more attention. It is crucial that each country itself prepare national reports on poverty reduction with whatever assistance from the United Nations system upon request. Many will need or want only limited outside assistance. In countries that request United Nations UN assistance, it would be valuable to prepare synthesized reports for each country

on the basis of the inputs listed above from different parts of the United Nations system, in line with the recommendations contained in the report of the ACC Task Force on the Enabling Environment. Contributions from non-governmental organizations and academic sources would also be of value.

54. It is important to increase the role of targets and specific action plans in those reports. It cannot be emphasized enough that unless adequate leadership is asserted, consensus sought, and adequate resources dedicated at the national level, no amount of international cooperation will redress the problem. It is obviously important, too, that the task of preparing national reports on poverty be extended to those countries which are not yet covered.

55. The possibility of more action at the subregional level also warrants exploration. Many subregional entities have secretariats that are close to the member States and could act as catalysts for action. Furthermore, subregional groupings offer a useful forum for peer review examination of policies and progress, somewhat on the lines of donor performance reviews by the OECD countries. The importance of South-South cooperation is explicitly recognized throughout the system. Subregional cooperation is a concrete method of giving shape to that objective. Some initiatives have already been tentatively launched by the Department of Economic and Social Affairs of the Secretariat in this direction.

56. The observance of the International Day for the Eradication of Poverty (17 October) is being strengthened, as happened this year in major functions during the day and in the evening at United Nations Headquarters. In future it is proposed that the Day be marked by concentrating on the themes that the Assembly would choose for the specific year in question. Planning has begun for intellectually and politically substantive activities on the Day in 1998.

57. It is at the national level that more attention needs to be devoted to highlighting the observance of the Day. It is proposed that the United Nations system offices in each country be involved in organizing events and discussions on national poverty issues. In many countries information on national poverty is not sufficiently known, nor is the determination that exists at the international level to address poverty.

58. At the international level, within the context of the Assembly's deliberations on the Decade, it may be desirable to focus on national and international action in alternate years. The theme for 1998 has already been agreed upon: 'Poverty, human rights and development'. 1998 also happens to be the year marking the fiftieth anniversary of the signing of the Universal Declaration of Human Rights. It is proposed that attention be given to poverty within the events planned for the year. The Assembly is to select the theme for 1999 and 2000. For 1999, consideration could be given to 'Poverty eradication lessons from industrial countries'. The special session of the Assembly in 2000 to review the implementation of the Copenhagen Declaration and Programme of Action will provide the theme in that year.

V. CONCLUSION

59. While there is reason to be encouraged about progress with poverty reduction, there is even greater reason for concern. While opening up more widely to the world economy is beneficial to some countries, many have seen few net benefits. Greater international support is needed for those countries with less capacity to benefit so that they can boost their pace of development and so that more resources can be devoted to social purposes.

60. The renewed commitment made at the World Summit for Social Development must be more effectively applied, national strategies revised to reflect those priorities, and international cooperation greatly strengthened and extended to increase the pace of poverty reduction. The United Nations system is attempting to work more closely and more pointedly in furthering action at the national and subregional levels and in monitoring progress. The principal requirements are a stronger political will and commitment and more focused technical work.

61. Finally, it is appropriate to recall that poverty eradication is far more than just a national or international issue. Every individual has the capacity to make a contribution - through personal expressions of human solidarity, through lifestyle changes and through participation in community programmes. Networks of people committed to poverty eradication are a necessary part of what must become a successful global campaign.

Notes

[1] Report of the World Social Summit, Copenhagen, 6-12 March 1995 (A/CONF.166/9) (United Nations publication, Sales No. 96.IV.8), chap. I, resolution 1, annex 1, commitment 2.

[2] United Nations publication, Sales No. E.97.IV.1.

[3] United Nations Development Programme. New York, Oxford, Oxford University Press, 1997.

[4] United Nations publication, Sales No. E.97.II.D.8.

[5] Human Development Report 1997, p. 5.

[6] United Nations Educational, Scientific and Cultural Organization. World Education Report 1995, Oxford, Oxford University Press, 1995.

[7] Final Report of the World Conference on Education for All: Meeting Basic Learning Needs, Jomtien, Thailand, 5-9 March 1990, Inter-Agency Commission (UNDP, UNESCO, UNICEF, World Bank) for the World Conference on Education for All, New York, 1990, appendix 1.

[8] World Health Organization, The World Health Report 1997, Geneva.

[9] International Food Policy Research Institute, "1995 Report", Washington, D.C.

[10] For the report of the World Food Summit, which contains the Rome Declaration on World Food Security and the World Food Summit Plan of Action, see Food and Agriculture Organization of the United Nations, 'Report of the World Food Summit' (WFS 96/REP).

[11] Report of the World Summit for Social Development, commitment 2.

[12] Human Development Report 1997, p. 112.

Annex

Selected recent literature on poverty and poverty-related issues

There is a significant increase in the publication of poverty and poverty-related literature in recent years. A large collection is available in the Dag Hammarskjold Library. The attempt here is to present a select list of literature, mostly by international bodies published during 1995-1997. (A few earlier reports are also included.)

I. General

United Nations

United Nations, "World Summit for Social Development: The Copenhagen Declaration and Programme of Action", 6-12 March 1995, New York 1995.

United Nations, "World Economic and Social Survey 1996", New York, 1996.

Commission on Human Rights. "First Report on Human Rights: Extreme Poverty submitted by the Special Rapporteur. Mr. L. Despovy", Geneva, June 1996/E/CN.4/sub.2/1996/13.

United Nations Conference on Trade and Development, "Globalization and Internationalization: Efforts of International Economic Relations on Poverty". Geneva 1996 (UNCTAD/ECDC/PA/4/Rev.1)

Economic Commission for Latin America and the Caribbean, "The Equity Gap; First Regional Consequences in Follow-up to the World Summit for Social Development, Sao Paulo, Brazil, 6-9 April 1997", Santiago, 1997 (LC/E.1954 (CONF.86/3)).

Economic Commission for Latin America and the Caribbean, "Social Panorama of Latin America", Santiago, 1996.

United Nations, "1997 World Report on the Social Situation", New York, E/CN.5/1997/8.

United Nations funds and programmes

United Nations Development Programme, "Human Development Report 1995". New York, 1995 (Theme: Gender of human development.)

United Nations Development Programme, "Human Development Report 1996". New York, 1996 (Theme: Economic growth and human development.)

United Nations Development Programme, "Human Development Report 1997". New York 1997 (Theme: Human development to eradicate poverty.)

United Nations Children's Fund, "The Progress of Nation". New York, 1996.

United Nations Development "Human Development Report 1997". New York, 1997 (Theme: Human development to eradicate poverty.)

United Nations Children's Fund, "The State of the World's Children 1997", New York 1997.

Specialized agencies and others

International Labour, "Statistics on Poverty and Income Distribution", Geneva 1996, and "World Employment 1996/97", Geneva 1997.

United Nations Educational, Scientific and Cultural Organization, "World Education Report 1995". Oxford Publishing Office, 1995.

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Agenda item 153

HUMAN RESOURCES MANAGEMENT

Amendments to the Staff Rules

Report of the Secretary-General

1. Staff regulation 12.3 provides that the full text of provisional staff rules and amendments shall be reported annually to the General Assembly.

2. In addition to the amendments set out in the annex to the present document, proposed amendments to chapter I of the Staff Rules, Duties, obligations and privileges, are reported separately to the General Assembly as part of the proposed Code of Conduct for United Nations staff (see A/52/488). If approved by the General Assembly, those new rules will be incorporated in the next revision of the 100 series of the Staff Rules. Corresponding changes will be made in the 200 and 300 series of the Staff Rules and reported in the next annual report on amendments to the Staff Rules. Unless otherwise indicated, the amendments contained in the present report will be effective from 1 January 1998.

A. 100 series

3. The 100 series of the Staff Rules, applicable to all staff except technical assistance project personnel and staff members specifically engaged for service of limited duration, are contained in Secretary-General's bulletin ST/SGB/Staff Rules/1/Rev.9, dated 1 March 1997. The text of the amendments to the 100 series is set out in the annex to the present report.

4. Staff rule 103.22, Mobility and hardship allowance, is amended to reflect General Assembly resolution 51/216 of 18 December 1996, in which, on the recommendation of the International Civil Service Commission (ICSC), the Assembly introduced as of 1 January 1997 a five-year time limit on payment of

the non-removal element at one duty station, with a possible extension of up to two years on an exceptional basis.

5. Staff rule 105.2, Special leave, is amended to allow special leave without pay as family leave for up to two years, with the possibility of extension for up to an additional two years in exceptional circumstances, after the birth or adoption of a child, with all guarantees of re-absorption, under conditions established by the Secretary-General. Special leave without pay may also be granted when an immediate family member dies or in case of serious family emergency. The rule is also amended to clarify that special leave is normally granted at the request of a staff member.

6. Staff rule 106.2, Sick leave, is amended to allow eligible staff to use all or part of their entitlement to uncertified sick leave, i.e., up to a maximum of seven days in a calendar year, to attend to family-related emergencies, or for paternity leave in case of birth or adoption of a child.

7. Staff rule 106.3, Maternity leave, is amended to authorize partial conversion of maternity leave to paternity leave in dual career families where both spouses are staff members of the Secretariat; and to specify that accrued annual leave may be exercised as paternity leave in such cases, under conditions established by the Secretary-General.

B. 200 series

8. The 200 series of the Staff Rules, applicable to staff specifically recruited for service with technical cooperation projects, are contained in Secretary-General's bulletin ST/SGB/Staff Rules/2/Rev.8 of 1 June 1995 and ST/SGB/Staff Rules/2/Rev.8/Amend.1 of 1 March 1996. The text of the amendments to the 200 series is set out in the annex to the present report.

9. Staff rule 203.11, Mobility and hardship allowance, is amended to reflect General Assembly resolution 51/216, in which, on the recommendation of ICSC, the Assembly introduced as of 1 January 1997 a five-year time limit on payment of the non-removal element at one duty station, with a possible extension of up to two years on an exceptional basis.

10. Staff rule 205.3, Special leave, is amended to allow special leave without pay, including time for travel, when an immediate family member dies or in case of serious family emergency.

11. Staff rule 206.2, Group life insurance plan, is cancelled in order to ensure that staff serving under the 200 series participate in the group life insurance scheme of the United Nations on the same basis as staff serving under the 100 series. The cancellation of this rule is effective from 1 February 1998.

12. Staff rule 206.4, Medical care, is amended by the deletion of paragraph (c), which gave the Secretary-General discretionary authority to establish conditions under which project personnel may be reimbursed for medical expenses not covered in full by medical insurance. It was decided more than 20

years ago that there would be no justification for treating project personnel differently from staff members serving under the 100 series. All staff members are reimbursed for medical expenses in accordance with their medical insurance plan and, where applicable, Appendix D to the Staff Rules. Paragraph (c) of the rule is therefore obsolete and is deleted.

13. Staff rule 206.7, Maternity leave, is amended to authorize partial conversion of maternity leave to paternity leave in dual career families where both spouses are employed by the United Nations, and to specify that accrued annual leave may be exercised as paternity leave in such cases, under conditions established by the Secretary-General.

ANNEX

Text of amendments to the Staff Rules

A. 100 series

Chapter III

SALARIES AND RELATED ALLOWANCES

Rule 103.22

Mobility and hardship allowance

Rule 103.22, as amended, reads as follows:

"...

"(e) (i) The non-removal element shall be payable to staff members who, on assignment to a duty station, did not have an entitlement to removal costs under rule 107.27, provided that an entitlement to the assignment grant exists. Payment of the non-removal element shall be limited to a period of five years at one duty station, with a possible extension of up to two years on an exceptional basis.

"...

"(iii) The non-removal element shall be discontinued if an entitlement to removal to the duty station under rule 107.27 arises. However, subject to the time limits set out in subparagraph (e) (i), the Secretary-General may decide to continue payment of the non-removal element of the allowance in lieu of remcval costs under rule 107.27.

"..."

Chapter V

ANNUAL AND SPECIAL LEAVE

Rule 105.2

Special leave

Rule 105.2, as amended, reads as follows:

"(a) (i) Special leave may be granted at the request of a staff member for advanced study or research in the interest of the United Nations,

in cases of extended illness, for child care or for other important reasons for such period as the Secretary-General may prescribe. In exceptional cases, the Secretary-General may, at his initiative, place a staff member on special leave with full pay if he considers such leave to be in the interest of the Organization.

"...

"(iii) Subject to conditions established by the Secretary-General, family leave may be granted as follows:

"a. As special leave with full pay in the case of adoption of a child;

"b. As special leave without pay for a period of up to two years for a staff member who is the mother or father of a newly born or adopted child, with a possibility of extension for up to an additional two years in exceptional circumstances. The right of a staff member to be re-absorbed after the end of such special leave without pay shall be fully protected;

"c. As special leave without pay for a reasonable period, including necessary travel time, upon the death of a member of the immediate family of the staff member, or in case of serious family emergency.

"..."

Chapter VI

SOCIAL SECURITY

Rule 106.2

Sick leave

Rule 106.2, as amended, reads as follows:

"(a) ...

"(i) All sick leave must be approved on behalf of and under conditions established by the Secretary-General;

"...

"(vii) A staff member may take uncertified sick leave of not more than three consecutive working days at a time, for up to seven working days in a calendar year, when incapacitated for the performance of his or her duties by illness or injury. Part or all of this

entitlement may be used to attend to family-related emergencies, or for paternity leave in case of birth or adoption of a child, in which case the limitation of three consecutive working days shall not apply. After a staff member has taken periods of uncertified sick leave totalling seven working days within a calendar year, any further absence from duty within that year shall either be supported by a medical certificate as provided under subparagraph (vi) above, or may be charged to annual leave or treated as an unauthorized absence in accordance with rule 105.1 (b) (ii);

"..."

Rule 106.3

Maternity leave

Rule 106.3, as amended, reads as follows:

"...

"(b) Where both spouses are staff members of the United Nations, an unused portion of maternity leave to which the mother would otherwise have been entitled under paragraph (a) above may be used as paternity leave by the father of the child, under conditions established by the Secretary-General. Alternatively, paternity leave may be charged to the father's annual leave entitlement.

"..."

B. 200 series

Chapter III

SALARIES AND RELATED ALLOWANCES

Rule 203.11

Mobility and hardship allowance

Rule 203.11, as amended, reads as follows:

"...

"(e) (i) Except as provided in subparagraph (ii) below, the non-removal element shall be payable to project personnel, provided that an entitlement to assignment grant exists. Payment of the non-removal element shall be limited to a period of five years at

one duty station, with a possible extension of up to two years on an exceptional basis;

"(ii) Project personnel listed in rule 200.1 (a) who have an entitlement to removal costs under rule 107.27 shall not be entitled to the non-removal element.

"..."

Rule 205.3

Special leave

Rule 205.3, as amended, reads as follows:

"(a) ...

"(iii) In the case of adoption of a child, special leave with full pay may be granted under the conditions and for the period established by the Secretary-General. Special leave without pay may be granted to project personnel for a reasonable period, including necessary travel time, upon the death of a member of the immediate family of project personnel, or in case of serious family emergency;

"..."

Rule 206.2

Group life insurance plan

Rule 206.2 is cancelled.

Rule 206.4

Medical care

Rule 206.4, as amended, reads as follows:

"...

"(c) (Cancelled)

"..."

Rule 206.7

Maternity leave

Rule 206.7, as amended, reads as follows:

"...

"(b) Where both husband and wife are employed by the United Nations, an unused portion of maternity leave to which the mother would otherwise have been entitled under paragraph (a) above or under staff rule 106.3 (a) may be used as paternity leave by the father of the child, under conditions established by the Secretary-General. Alternatively, paternity leave may be charged to the father's annual leave entitlement.

"..."

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Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Note by the Secretary-General

In accordance with paragraph 5 (e) (iii) of General Assembly resolution 48/218 B of 29 July 1994, the Secretary-General has the honour to transmit to the members of the General Assembly the comments of the Joint Inspection Unit on the report of the Office of Internal Oversight Services on the review of the programme and administrative practices in the secretariat of the International Trade Centre UNCTAD/WTO (A/51/933).

97-30416 (E) 071197

Annex

Comments of the Joint Inspection Unit on the report of the Office of Internal Oversight Services on the review of the programme and the administrative practices of the secretariat of the International Trade Centre UNCTAD/WTO

1. Pursuant to paragraph 5 (e) (iii) of General Assembly resolution 48/218 B of 29 July 1994, the Joint Inspection Unit presents its comments on the report of the Office of Internal Oversight Services on the review of the programme and the administrative practices of the secretariat of the International Trade Centre UNCTAD/WTO (A/51/933).

2. As stipulated in resolution 48/218 B, the report was conveyed to the General Assembly by the Secretary-General, who took note of its findings and concurred with its recommendations.

3. The Joint Inspection Unit reviewed the report and also concurs with its findings.

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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Letter dated 3 November 1997 from the President of the Economic and Social Council addressed to the President of the General Assembly

I would like to bring to your attention agreed conclusions 1997/2 adopted by the Economic and Social Council at its 1997 coordination segment on "Mainstreaming the gender perspective into all policies and programmes in the United Nations system". These can be found in the report of the Economic and Social Council (A/52/3, chap. IV, para. 4).

As reflected in section II of the agreed conclusions, the Council addressed specific recommendations to intergovernmental bodies and the entities of the United Nations system to achieve tangible results in gender mainstreaming. The Council also provided a definition and principles for gender mainstreaming (sect. I, A and B).

Among the recommendations addressed to intergovernmental bodies, the Council encourages the General Assembly to direct all its committees and bodies and to draw the attention of other bodies of the United Nations system to the need to mainstream a gender perspective systematically in all areas of their work (sect. II, A). In an indicative list, the Council identified macroeconomic questions, operational activities for development, poverty eradication, human rights, humanitarian assistance, budgeting, disarmament, peace and security, and legal and political matters as areas where gender mainstreaming needs to be pursued systematically.

The Council further noted that all bodies dealing with programme and budgetary matters, including the Committee for Programme and Coordination, should ensure in their work that all programmes visibly mainstream a gender perspective.

97-30470 (E) 061197

/...

I would appreciate it if you could draw the attention of the Chairpersons of the Main Committees and bodies of the General Assembly to these agreed conclusions. I am confident that the Assembly, in its future work, will give due consideration to the recommendations of the Council with regard to gender mainstreaming.

(Signed) Vladimir GALUSKA
President of the
Economic and Social Council

United Nations A/52/577

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Multilingualism

Report of the Secretary-General

1. In its resolution 50/11 of 2 November 1995, the General Assembly requested the Secretary-General to submit, at its fifty-second session, a report on the implementation of the resolution, particularly on the use of the official languages of the United Nations and the working languages of the Secretariat. Accordingly, the following report on multilingualism in the Secretariat has been prepared in response to that request.

Learning of languages

2. The Secretary-General is committed to promoting the learning of all official languages and the working languages of the Secretariat by Secretariat staff and to ensuring adequate human and financial resources for maintaining the teaching of all official and working languages. It is reaffirmed in the report on implementation of the Organization's human resources strategy (A/C.5/51/1), and further reflected in the Secretary-General's budget submission for the biennium 1998-1999, which maintains resources for language training to support the learning of the official languages at all levels, to ensure that languages learned can be used in the working environment and to promote respect for the Organization's linguistic and cultural diversity.

3. Language training programmes are offered at all major duty stations. At Headquarters the core language training programme continues to provide beginning, intermediate and advanced courses in the six official languages. In order to tailor the language training to specific requirements of the Organization, special courses are offered to enhance linguistic skills for work-related purposes. These include courses in both of the working languages in drafting letters, memoranda and reports and making oral presentations. Additional specialized courses such as "Lectures francophones", "The news in Spanish", "Russian through the media", "Reading Arabic newspapers" and a media-assisted Chinese course aim at increasing fluency in the official languages of the United Nations and promoting multicultural understanding and respect for diversity.

4. Self-study centres are being established, where resources permit, to support the core programme and promote the use and maintenance of skills in the official languages. Self-study facilities allow staff members to use a variety of materials in various media — print, audiotape, videotape, computer and multimedia — for language study at their own pace and on their own schedule.

5. Following the adoption of General Assembly resolution 50/11, the Assistant Secretary-General for Human Resources Management, in information circular ST/IC/1995/73 of 8 November 1995, drew the attention of staff to the resolution and encouraged all staff members to make full use of the language training facilities available to them in the Secretariat.

97-30608 (E) 111197 131197

Language incentives

6. In order to encourage the learning and use of the official languages, incentives are provided to staff members who pass proficiency examinations in the official languages of the Organization, in addition to the two working languages of the Secretariat. Language proficiency examinations in the six official languages are conducted twice a year at over 100 test sites to staff members throughout the United Nations system. For staff members in the Professional category and above, the intervals between salary increments are reduced to 10 months (for grade levels P-1 to P-5) and to 20 months (for grade levels D-1 and D-2), in the case of staff subject to geographical distribution who have an adequate and confirmed knowledge of a second official language. A language allowance is payable to staff in the General Service and related categories and in the Field Service category who have demonstrated proficiency in any two official United Nations languages. A second language allowance is payable for proficiency demonstrated by passing the prescribed examination in a third official language.

Recruitment and promotion

7. All candidates recruited for the Secretariat are required to have a full command of one of the two working languages of the Secretariat. Candidates recruited through the national competitive examination may elect to take the exam in either of the two working languages. In posts where knowledge of an additional official language is required, for example, at the Economic Commission for Latin America and the Caribbean, where Spanish is a working language of the Commission, knowledge of the language will be included as a job specification in the vacancy announcement.

8. Linguistic proficiency is one of the criteria used in the selection, assignment or promotion of staff of the Secretariat. Knowledge of languages is included as a factor in the evaluation form utilized by programme managers and appointment and promotion bodies to assess the relative competence and suitability of candidates. The Office of Human Resources Management highlights the language qualifications of applicants for posts in all its presentations to departments, drawing the attention of programme managers to General Assembly resolution 50/11 on multilingualism and the need to ensure linguistic balance within the Organization. Programme managers are advised that linguistic proficiency should be taken into account in the selection of candidates.

Use of working languages

9. By virtue of his or her appointment, every staff member is required to work in either English or French. In addition, since the regional commissions for Europe, Latin America and the Caribbean and Western Asia also have Russian, Spanish and Arabic, respectively, as a working language, many staff members in the secretariats of those bodies are required to work in the respective language. To promote multilingualism in the Secretariat, staff members are encouraged to make equal use of the working languages in their official communications.

Recruitment and training of translators

10. In spite of several waves of post reduction that have affected the Secretariat as a whole over the past five years, owing to minor staffing table increases in the translation services over the same period those services have now essentially the same staffing levels that they had at the end of 1993, following the redeployment of a number of translator posts to other parts of the Secretariat. The end of the freeze of vacant posts in April 1997 has allowed management to resume the recruitment of translators from the rosters of successful candidates who passed competitive examinations in all six official languages of the Organization. Given the relative stabilization of the volume of parliamentary documentation received for translation and the steady use of contractual translation in this operation (roughly 15 per cent of the material processed), it can be said that established staff resources at their current level, supplemented as necessary by temporary assistance during peak workload periods, are appropriate to ensure proper translation of all documentation in the six official languages. While quality and timeliness improvements are still needed, it is felt that the former can be addressed through adjustments in the methods of work, and the latter are largely beyond the reach of the processing services, contingent as they are on improvements in the pattern of submission of documentation by author departments.

11. In a context of limited human resources, special emphasis on training has been one important way for the Organization and in particular Conference Services to pursue the objective of improved performance. The training of translators after they have joined Conference Services should certainly not be understood in the academic sense: all translators are recruited through a highly selective competitive examination restricted to university graduates, which is a guarantee of solid professional qualifications.

Nevertheless, during the first two years of their employment with the United Nations, new translators must go through a probationary period during which their work is closely monitored by experienced revisers acting as training officers. During that period, new translators are gradually familiarized with the specific requirements of translation at the United Nations. For those new recruits who are assigned to duty stations other than New York, there is a mandatory six months training period at Headquarters. Perhaps even more important for the quality of the output of the translation services is the training of relatively experienced translators in self-revision. Taking into account their academic background and demonstrated areas of strength after a few years of experience, they are specialized in various subject matters. After that and subject to consistently satisfactory performance, they are asked to produce self-revised translations that are subject to quality-control by revisers and senior revisers. Systematic feedback is provided in the form of corrections to their translations and one-on-one discussions with revisers. Finally, translators are given the opportunity throughout their career to expand and/or improve their language skills by attending courses of study made available by the Office of Human Resources Management or at various universities.

Simultaneous distribution of documents

12. The simultaneous distribution of documents in all official languages, a practice that the Secretariat had always endeavoured to follow, has been applied strictly since the adoption on 10 December 1981 of General Assembly resolution 36/117 B, in which the Assembly established the rule. The same principle was later confirmed in the context of Assembly resolution 42/207 C, of 11 December 1987, on the need to ensure respect for the equal treatment of the official languages, and is regularly reiterated in the resolutions adopted yearly by the Assembly on meetings and documentation issues.

13. Simultaneous distribution means that no language version of a particular document, including the original language, is released for dissemination until the production of all the relevant versions is completed and all of them can be distributed at the same time. The rule of simultaneous distribution applies to documents intended for the information of and consideration by all United Nations organs, for example, reports of the Secretary-General, including major policy documents like the medium-term plan and the proposed programme budget; reports of intergovernmental, expert, oversight and treaty bodies and special rapporteurs; communications from States; draft reports and draft decisions to be adopted by the relevant bodies; agendas and programmes of work; and resolutions and decisions.

14. The optical disk system, which is the official repository and distribution outlet of electronic versions of United Nations documents, also operates in accordance with the simultaneous distribution rule: the electronic versions become accessible through the system at the same time in all languages, immediately following the release of their hard-copy equivalents.

Informal meetings

15. In section I, paragraph 8, of its resolution 40/243 of 18 December 1985, the General Assembly requested the Secretary-General to continue to provide interpretation services for informal meetings on an ad hoc basis in accordance with established practice. Subsequently, in paragraph 13 of its resolution 50/206 A of 23 December 1995, the Assembly requested the Secretary-General to provide, within the resources approved for conference services for the biennium 1996-1997, interpretation services for meetings of regional and other major groupings of Member States upon request by those groupings, taking into account the priority due to meetings included in the calendar of conferences. The following year, in paragraph 19 of its resolution 51/211 A of 18 December 1996, the Assembly reiterated its request to the Secretary-General to provide, within the resources requested for conference services for the biennium 1998-1999, interpretation services for meetings of regional and other major groupings of Member States upon request by those groupings, taking into account the priority due to meetings included in the calendar of conferences.

16. In conformity with the aforementioned resolutions, interpretation services in the languages requested and conference facilities are accorded to regional and other major groupings of Member States on an "as available" basis, that is, if such services or facilities are available or if cancellations of other scheduled meetings allow the reassignment of staff or rooms. As long as such meetings requiring conference services are held at the level of services authorized for the session of a particular body, no problems arise. Additional meetings beyond that level, however, can be serviced only as existing resources permit. Services are also provided on an "as available" basis for such other informal meetings as briefings for delegations and bodies

that request to convene informally outside their scheduled sessions.

Library services and data banks

17. The Dag Hammarskjöld Library, which, in accordance with the basic policy formulated in 1949 and reaffirmed ever since, is a multilingual research, information and training facility, maintains the archival collection of United Nations documents and publications in all languages in which they are issued. Also acquired, more selectively but generally in one or both of the two working languages of the Secretariat, are documents and publications of specialized agencies and intergovernmental and non-governmental organizations. Gazettes and national laws of each Member State are acquired in their original language and, wherever available, in one of the two working languages of the Secretariat.

18. The language of material in the balance of the collections is determined by demand and/or request. Thus, in the collections of the Dag Hammarskjöld Library, English is the predominant language followed by French, Spanish, Russian, Arabic and Chinese respectively. Other languages have significant representation, most notably German.

19. On-line and other electronic databases follow the same pattern of language predominance but, as more products become available in a wider variety of languages, a shift in the linguistic representation of these databases is becoming more noticeable.

20. Additionally, the Dag Hammarskjöld Library has made it a priority to provide multiple dedicated Internet workstations in order to provide its client base with the opportunity of accessing, retrieving and downloading information, independently or with the assistance of a librarian, without prejudice to any language.

21. Products evolving from the new technologies, specifically the optical disk system and the United Nations Internet Web site, have enabled the Organization to make selected United Nations documentation in all languages accessible worldwide. The Dag Hammarskjöld Library makes a substantial contribution to this effort by providing on-line indexing, posting of research guides, databases, etc., on the United Nations home page. If the products are in English, links are made from other language pages.

22. Access to United Nations documentation is also made through the United Nations Bibliographic Information System (UNBIS), which is based on the trilingual Thesaurus File. Under study for future development are the possibilities of trilingual (English/French/Spanish) search capabilities and machine-assisted translation of indexing data into the official languages of the Organization.

23. Another initiative of the Dag Hammarskjöld Library has been to provide an extensive training programme in the management, organization and use of United Nations documentation and various electronic information resources. Whenever there is sufficient demand, individual courses are organized in languages other than English.

24. In summation, the Dag Hammarskjöld Library continues to recognize and respond to the necessity for an equitable representation of information, and access thereto, in the official languages of the Organization.

Conclusion

25. As indicated above, the Secretariat has continually followed a policy of promoting the learning and use of the official and working languages of the Organization in all its activities. In response to General Assembly resolution 50/11, efforts to that end have been intensified with a view to ensuring that promotion of multilingualism remains an organizational imperative.

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United Nations Relief and Works Agency for Palestine Refugees in the Near East

Report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

Rapporteur: Mr. Svein **Aass** ..... (Norway)

Contents

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97-30640 (E) 141197

I. Introduction

A. Origin and background of the Working Group

1. The Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established by the General Assembly under resolution 2656 (XXV) of 7 December 1970 to study all aspects of the financing of the Agency. In that resolution, the General Assembly requested the Working Group to assist the Secretary-General and the Commissioner-General of UNRWA in reaching solutions to the problems posed by the Agency's financial crisis.

2. At the twenty-fifth session and all those that followed, the General Assembly considered the reports submitted to it by the Working Group,[1] and adopted resolutions commending the efforts of the Working Group and requesting it to continue them for a further year.[2]

3. The Working Group consists of the representatives of France, Ghana, Japan, Lebanon, Norway, Trinidad and Tobago, Turkey, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The Chairman of the Working Group is Mr. Huseyin Çelem of Turkey.

B. Consideration of the report of the Working Group at the fifty-second session of the General Assembly

4. The report of the Working Group on its activities in 1996 (A/51/509) was considered by the General Assembly at its fifty-first session under agenda item 84, entitled "United Nations Relief and Works Agency for Palestine Refugees in the Near East". At its 3rd plenary meeting, on 20 September 1996, the General Assembly decided to include this item in its agenda and to allocate it to the Special Political and Decolonization Committee (Fourth Committee), which considered it at its 19th to 22nd meetings, on 22, 25, and 27 November 1996.

5. At the 22nd meeting of the Committee, on 27 November 1997, the representative of the Netherlands introduced a draft resolution entitled "Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East" (A/C.4/51/L.13) sponsored by Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, Turkey and the United Kingdom of Great Britain and Northern Ireland.

6. Under the terms of the draft resolution, the General Assembly would:

(a) Commend the Working Group for its efforts to assist in ensuring the financial security of the Agency;

(b) Take note with approval of the report of the Working Group;

(c) Request the Working Group to continue its efforts, in cooperation with the Secretary-General and the Commissioner-General, for the financing of the Agency for a further period of one year;

(d) Request the Secretary-General to provide the necessary services and assistance to the Working Group for the conduct of its work.

7. At the same meeting, the Committee adopted the draft resolution without a vote.

8. At its 83rd plenary meeting, on 13 December 1996, the General Assembly considered the draft resolution regarding the Working Group, which had been recommended by the Special Political and Decolonization Committee (Fourth Committee), together with other draft resolutions under this item. At the same meeting, the Assembly adopted the draft resolution without a vote as resolution 51/125.

II. Activities of the Working Group during 1997

9. Throughout the year, the members of the Working Group have followed with concern the difficulties experienced by the Agency and, in particular, the serious financial situation it continued to face. The Working Group held two meetings, on 12 September and 14 October 1997, to consider the recent developments in the Agency's financial situation and to prepare its report to the General Assembly. The Working Group adopted its report at its meeting on 14 October 1997.

10. At its 117th meeting on 12 September 1997, the Working Group heard the representative of UNRWA in New York, who submitted an up-to-date report on the financial situation of the Agency. On 26 September 1997, the Working Group was informally briefed by the Commissioner- General on the Agency's financial crisis. The Working Group gave further consideration to the representative's report at its 118th meeting, on 6 November 1997 (see sect. III below).

III. Financial situation of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

11. UNRWA ended the 1996 financial year with a shortfall of $26.7 million based on total expenditures of $343.3 million and total income of $316.6 million. (Some of the expenditure reflected disbursements of contributions received in previous years and earmarked for specific uses.) The prospect of a budget deficit, for a fourth successive year, had become apparent by the middle of 1996, when it was estimated that the Agency would face a shortfall of some $9.3 million by the end of that year. That estimate did not take into account the cumulative effects of two rounds of austerity measures, imposed in February 1993 and June 1996, representing $14.2 million and $9 million respectively in budgeted expenditure, or the $12.7 million provision for termination indemnities which had been built into the Agency's budget at the request of its major donors, with the endorsement of the General Assembly, in 1995. The total shortfall estimated for 1996, therefore, was estimated at $45.2 million by the middle of the year. By that time, delays being experienced in the payment of contributions had also created a severe cash-flow problem.

12. In view of this dire situation, the Commissioner-General of UNRWA convened an extraordinary meeting of major donors and host Governments in Amman in September 1996, at which the nature and magnitude of the crisis was explained and a special appeal was issued. Donors responded generously to that initiative, announcing additional pledges of $14.3 million, including $12.4 million towards the 1996 regular budget. As a result of additional contributions received, the Agency was able to cover the core 1996 deficit and avoid insolvency, even recording a nominal balance in the cash portion of the regular budget of some $2.2 million at year's end. However, this again did not take into account the cumulative effect of previous austerity measures or allow for a provision for termination benefits.

13. The measures taken by the Agency to get through 1996, including maintaining previously imposed austerity measures and the introduction of new ones, meant that some activities provided for in the budget approved by the General Assembly for the 1996-1997 biennium were not fully implemented. Therefore, the quality of the humanitarian programmes delivered by UNRWA was negatively affected. Moreover, the Agency's "working capital" reserves — representing the difference between assets and liabilities in the regular budget — had been driven to a dangerously low level, so that at the end of 1996, they amounted only to some $5 million, or the equivalent of less than one week's share of the Agency's normal monthly expenditures of $22 million.

14. UNRWA thus began 1997 not only with depleted capital and cash reserves, but also with cumulative deficits in its extrabudgetary activities. To some extent, extrabudgetary activities, including emergency operations, the European Gaza Hospital and the move of the headquarters to Gaza, had to be funded from the Agency's regular budget, rather than from special accounts established for the purpose of supporting them. At the beginning of 1997, a shortfall of roughly $40 million in the regular budget was projected by that year's end, and there were no firm prospects of any increase in income. Of concern also was the fact that there had remained outstanding at the end of 1996 some $93.5 million in cash pledges to all UNRWA accounts, of which $35.3 million was earmarked for the regular budget and $58.2 million for projects. This, combined with outstanding payments worth some $13 million due in the form of reimbursement for value-added tax and port and transit charges, had served to put the Agency's cash balances under severe strain.

15. Therefore, in February 1997, the Commissioner-General introduced another round of austerity measures amounting to some $18.7 million a year. These included eliminating a provision for salary increases, freezing certain vacancies and significantly reducing allocations for temporary labour, vehicles, equipment and supplies, training, maintenance, hospitalization and travel. At the same time, the Agency embarked on new initiatives to broaden its resource base and ensure that the entire international community was engaged in supporting the work of UNRWA. In February and March, the Commissioner-General visited five Gulf countries to discuss with Governments and non-governmental organizations (NGOs) how the Agency's programmes could be placed on a more sustainable basis. These visits have been useful in the way they have improved the knowledge of the visited countries' authorities about UNRWA's situation. Although several opportunities for strengthening cooperation were identified and assurances were received that countries in the region would continue and in some cases try to increase their support, more concrete results from these initiatives remained to be realized. The Commissioner-General also visited South-East Asia in May 1997 in an effort to engage the region, which had not historically had a relationship with the Agency, in its activities. Strong interest and sympathy have been expressed vis-à-vis UNRWA's work during these visits that could hopefully lead to greater contributions to the Agency's

budget from these countries. The Agency also worked to develop a corporate outreach programme with a view to obtaining additional in-kind donations and established high-level contacts with an international NGO devoted to supporting sustainable development activities in the West Bank, the Gaza Strip and Lebanon. In July 1997, the Agency launched a special appeal for Lebanon, for $11 million, against which confirmed pledges of $9 million were made by donors, to sustain medical services, cover urgent requirements in education and assist the poorest refugees, reflecting the special vulnerability and near total lack of economic opportunity experienced by Palestine refugees there.

16. For 1997, the cash portion of UNRWA's General Fund budget as approved by the General Assembly was $312 million. By June, the Agency was forecasting cash income in 1997 of some $235 million. The Agency therefore faced a cash shortfall for the year of some $77 million. To confront this situation, the Commissioner-General ordered the continuation of the austerity measures introduced in previous years and the continued freeze on the provision for termination indemnities, as well as ordering a number of additional administrative cost-cutting measures. In August, with no solution to the crisis in sight, the Commissioner-General reluctantly announced a series of measures, including an immediate freeze on the recruitment of 250 new teachers needed Agency-wide to cope with rising school enrolments, a reduction of 15 per cent in international staff posts, the cancellation for the last two months of the year of reimbursements for non-emergency hospitalization and the discontinuation of Agency funding for university scholarships, shelter rehabilitation and emergency cash assistance. In addition, the Agency began reviewing charges levied by host authorities for basic education services with a view to adopting similar ones. The imposition of school fees would mark a major departure for the Agency, and the reaction in the refugee community was decidedly negative. Protests were held and urgent pleas were sent out to the international community to resolve UNRWA's financial difficulties in order to forestall any further reduction in the level or quality of Agency services. Major donors, meeting again in Amman in September 1997, pledged more than $20 million in additional funding for the Agency's regular programmes in 1997, enabling the Commissioner-General to defer some of the proposed measures, including the cancellation of hospitalization payments and the imposition of school fees.

17. Altogether, reductions made by the Agency during the 1996-1997 biennium had, by the middle of 1997, reached levels of $72.2 million in direct programme-related reductions and $71.5 million in indirect programme-related reductions such as freezing the provision for termination indemnities and reducing both operational and common support services. The extent and impact of these reductions is spelled out in chapter III of the addendum to the Commissioner-General's report to the General Assembly for the period 1 July 1996 to 30 June 1997 (A/52/13/Add.1). As that report points out, the Agency had been able to offset some of these reductions in its regular budget — for example those affecting the maintenance of Agency facilities and property — through the utilization of extrabudgetary funds, such as those generated by the Peace Implementation Programme (PIP). However, the effects of these reductions over the short term as well as the longer term were only partially offset, and the continuation of austerity measures could only continue to have a negative cumulative effect on the quality of Agency programmes as well as on levels of service delivery.

18. On 26 September 1997, the Commissioner-General of UNRWA briefed the Working Group on the effects of the steps taken to confront the Agency's financial problems and on the outlook for the coming year. Among the points emphasized by the Commissioner-General were the following:

- While the measures taken to date had enabled UNRWA to scrape through the past two years, the Agency could face the same situation again in 1998, by which time the cumulative effects of austerity measures would have taken an ever greater toll;
- The biennial budgets agreed to by the General Assembly represented a commitment on the part of the international community to assist Palestine refugees at a certain level, and in order for that commitment to be met, funds must be provided at levels commensurate with the commitments made;
- Although UNRWA's budgets, and indeed the amount of funding received in the form of contributions, increased from year to year in absolute terms, those increases took no account of the effects of inflation or exchange rate fluctuations or, above all, of the steady increase in the refugee population, which was felt principally in the growing number of children enrolling in Agency schools from year to year;
- The amounts spent by UNRWA per refugee — for education services, health care and relief and social programmes — had been declining annually for the past five years and, while the results of those programmes in terms of the well-being of the refugees was something that the Agency could be proud of,

UNRWA was spending considerably less per capita on the beneficiaries of its services than was the case for the host country populations served by their own Governments.

19. The 1998-1999 biennial budget of UNRWA being presented to the General Assembly at its fifty-second session proposes a budget level generally the same as in the previous biennial budget for 1996-1997, despite the increase in the number of Palestine refugees. The cash budget for 1998-1999 amounts to some $636.2 million, of which the 1998 share would be $314 million (compared with $312 million for 1997). If UNRWA receives the same amount from donors in 1998 as in 1997 (i.e., $260 million, including additional contributions announced in September 1997), the Agency will still face a deficit of $54 million in 1998. That figure again makes no provision for the restoration of cuts made in previous years or for the cost of termination indemnities.

IV. Concluding remarks

20. The Working Group has received with deep concern the assessment of UNRWA's current situation and future prospects presented to it by the Commissioner-General and other officials of the Agency. The Working Group recognizes that the average expenditure per refugee has decreased by 29 per cent over the past four years (not taking into account the effects of inflation), at a time when the refugee population has increased by 27 per cent, and that this has had a negative impact on the quality of services delivered.

21. In the light of the seriousness of the situation, the Working Group stresses the responsibility of the international community to strive to ensure the maintenance of UNRWA's services at acceptable levels. The Working Group hopes that all joint efforts are undertaken to ensure that UNRWA will be able to maintain acceptable levels of services to the refugees, including the provision of necessary resources by the international community at large for its 1998-1999 budget. The Working Group welcomes UNRWA's continuing efforts to implement management reform, including prioritizing activities taking into account the needs of the refugees, and to re-examine the way it delivers services to ensure that it operates in the most cost-effective manner possible.

22. The Working Group commends the Commissioner-General and his staff for their tireless efforts to maintain the basic operations of the Agency despite the constraints on the availability of resources which they have faced. It commends the Commissioner-General also for his fund-raising efforts, particularly in attempting to open up new avenues of support and funding and to broaden the base of donors. It hopes that these useful efforts will be quickly followed by concrete steps. The Working Group joins the Commissioner-General in expressing the hope that the example set by those who have joined the ranks of donors to the Agency or who have increased the level of their contributions will be followed by others. The Working Group salutes the Commissioner-General and his staff for the adoption of a clearer format for presenting the Agency's budget and appreciates the efforts of the Commissioner-General to share details of the budget with members of the international community and to keep the General Assembly, through the Working Group, informed of the evolving situation. The Working Group notes, however, that further improvements in UNRWA's budget presentation are needed. Such improvements would include clarifying the level of funding needed to preserve the current level of services, specifying what part of the budget would represent an increase in services beyond current levels and evaluating the relative priority of extrabudgetary expenditures vis-à-vis regular programme budget activities.

23. The Working Group agrees that while the problem of the refugees is deeply rooted in a political issue which originated more than half a century ago, the problems faced by the refugees today are humanitarian ones which must be addressed as a shared international responsibility. The services provided by UNRWA must be seen as an essential element which enables the refugees to lead decent human lives; that these services are of generally high quality and their recipients achieve consistently above-average results in terms of educational accomplishment and health standards is a tribute to the dedication of the UNRWA staff, themselves Palestine refugees, and to the determination of the refugees to improve their lives in the most difficult of circumstances. Further reductions in UNRWA's services risk depriving the refugees of the minimum level of support and could have a negative effect on regional stability. The Working Group expresses the hope that the international support for UNRWA, embodied in annual General Assembly resolutions recognizing the importance of the Agency's work and requesting that Governments contribute to it, should be translated into measures for ensuring the continuation of the Agency on a more secure financial basis.

24. The Working Group therefore strongly urges all Governments to bear in mind the foregoing considerations when deciding upon the level of their contributions to UNRWA for 1998 and once again:

(a) Urges those Governments that have not yet contributed to UNRWA to start to do so;

(b) Urges those Governments that have so far made only relatively small contributions to increase their contributions;

(c) Urges those Governments that in the past have made generous contributions to UNRWA to continue to do so and to strive to increase them;

(d) Urges those Governments that traditionally have shown special interest in the welfare of the Palestine refugees, both in the region and beyond, including all those to whom specific appeals have been made in the course of the Commissioner-General's fund-raising efforts, to begin contributing or to increase their contributions;

(e) Urges Governments to consider making special contributions sufficient to address funding shortfalls so that UNRWA services can continue uninterrupted and the Agency can restore activities cut as a result of the austerity measures, and to ensure that donor support of emergency-related and special programmes or capital projects does not in any way decrease or divert contributions to the Agency's regular programmes.

Notes

[1] *Official Records of the General Assembly, Twenty-fifth Session, Annexes*, agenda item 35, document A/8264; ibid., *Twenty-sixth Session, Annexes*, agenda item 38, document A/8476; ibid., *Twenty-seventh Session, Annexes*, agenda item 40, document A/8849; ibid., *Twenty-eighth Session, Annexes*, agenda item 43, document A/9231; ibid., *Twenty-ninth Session, Annexes*, agenda item 38, document A/9815; ibid., *Thirtieth Session, Annexes*, agenda item 54, documents A/10268 and A/10334; ibid., *Thirty-first Session, Annexes*, agenda item 53, document A/31/279; ibid., *Thirty-second Session, Annexes*, agenda item 55, document A/32/278; ibid., *Thirty-third Session, Annexes*, agenda item 54, document A/33/320; ibid., *Thirty-fourth Session, Annexes*, agenda item 50, documents A/34/567; A/35/526; A/36/615; A/37/591; A/38/558; A/39/575; A/40/736; A/41/702; A/42/633; A/43/702; A/44/641; A/45/645; A/46/622; A/47/576; A/48/554; A/49/509; A/50/491; and A/51/509.

[2] Resolutions 2791 (XXVI) of 6 December 1971, 2964 (XXVII) of 13 December 1972, 3090 (XXVIII) of 7 December 1973, 3330 (XXIX) of 17 December 1974, 3419 (XXX) of 8 December 1975, 31/15 C of 23 November 1976, 32/90 D of 13 December 1977, 33/112 D of 18 December 1978, 34/52 D of 23 November 1979, 35/13 D of 3 November 1980, 36/146 E of 16 December 1981, 37/120 A of 16 December 1982, 38/83 B of 15 December 1983, 39/99 B of 14 December 1984, 40/165 B of 16 December 1985, 41/69 B of 3 December 1986, 42/69 B of 2 December 1987, 43/57 B of 6 December 1988, 44/47 B of 8 December 1989, 45/73 B of 11 December 1990, 46/46 B of 9 December 1991, 47/69 B of 14 December 1992, 48/40 B of 10 December 1993, 49/35 B of 9 December 1994, 50/28 B of 6 Decemb 1995 and 51/125 of 13 December 1996.

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PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997

Construction of additional conference facilities at Addis Ababa and Bangkok

Report of the Secretary-General

I. INTRODUCTION

1. By its resolution 39/236 of 18 December 1984, the General Assembly approved the construction of additional conference facilities at the Economic Commission for Africa (ECA) at Addis Ababa and a construction project for the expansion of conference facilities at the Economic and Social Commission for Asia and the Pacific (ESCAP) at Bangkok.

2. In accordance with resolution 39/236, annual progress reports have been submitted on both construction projects. As indicated in the previous report of the Secretary-General (A/C.5/51/37), no further progress reports will be submitted on the construction project at Bangkok following submission of full details on all aspects of the progress and completion of the project included in that progress report. It is anticipated that the cost of the construction project at ESCAP will be capitalized and recorded shortly under the United Nations Capital Assets Fund.

3. Consequently, the present report focuses on the progress on the project at Addis Ababa since the last report of the Secretary-General submitted to the General Assembly at its fifty-first session (A/C.5/51/37 and Add.1). In addition, the present report seeks to respond to Assembly decision 51/488 of 15 September 1997, in which the Secretary-General was authorized to take all necessary steps to settle all outstanding claims on the construction of additional conference facilities at Addis Ababa taking into account the interests of the Organization and to make final payments on the construction project from the construction-in-progress account of ECA; and was requested to

issue a full report on the construction at Addis Ababa including, inter alia, relevant information concerning any internal or external audits conducted with regard to the construction project.

II. STATUS AND PROGRESS REPORT ON THE PROJECT AT ADDIS ABABA

A. Overview

4. As originally approved by the General Assembly in 1984, the construction project was estimated to cost $73,501,000 or 102,085,000 European currency units (ECUs) at November 1984 exchange rates. However, as a result of delays described in previous reports of the Secretary-General to the General Assembly, international tendering resulted in a revised estimated total cost for the project of $107,576,900 or ECU 78,523,400 at November 1990 exchange rates. The final figure was further increased as reported by the Secretary-General in his previous progress reports to the General Assembly (A/C.5/51/37 and Add.1), having taken into consideration the agreed settlement with the main (construction) contractor of the project, and the addition of an allowance for potential claims arising from the telephone system contract. The estimated final cost of the project would amount to $115,228,494 (at the May 1997 exchange rate), subject to variations resulting from exchange rate fluctuations in converting United States dollars to ECU (or other currencies based on invoices received from the architect) at the time of payment. This would be an increase of $7,651,594 (at the May 1997 rate) over the amount of $107,576,900 approved by the General Assembly for the project. As at 30 September 1997, total disbursements amounted to $103,432,770.

5. Substantial completion of the new facilities was achieved on 21 April 1996 and handover on 22 April 1996; since then a defects liability period has been in effect.

6. The new United Nations conference centre at Addis Ababa is considered to be one of the premier facilities in the region and since the date of handover on 22 April 1996 has been designated as the venue for a number of major conferences and smaller meetings. A total of 13 conferences and meetings were held in 1996 and a total of 86 meetings in the first nine and a half months of 1997. A selection of these meetings is attached as annex I to the present report.

7. As regards the final total agreed settlement with the main (construction) contractor, which amounts to $94.3 million (ECU 77.2 million at May 1997 rates), an amount of $83,614,577 (ECU 67,783,072) had already been paid during the course of the construction project. The unpaid balance of the agreed settlement was subsequently paid in two tranches: the first in May and the second in September 1997, excluding, however, the amounts of $284,000 (ECU 250,000) and a retention bond of ECU 1.25 million which have been withheld pending completion of making good certain remaining defects.

8. The main (construction) contract is to be deemed completed after issuance of the certificate of completion and making good defects. The contractor's residual obligations thereafter will be those concerning warranties and guarantees of equipment, which will be monitored and administered by ECA.

9. Other project costs related to supervision (architect/engineer, quantity surveyor) are in the process of review for payment. As concerns the contract for the installation of the telephone system, this project is in the acceptability and system testing stage until the end of November 1997.

B. Construction activities

1. Contract provisions

10. The construction contract was signed on 22 February 1991 and work commenced on 29 April 1991 with substantial completion scheduled to be achieved within 36 months, i.e., by 29 April 1994.

11. The contract sum was for ECU 52,655,450, based on the first issued set of bills of quantities. Allowance for inflation and exchange rate fluctuations, to be calculated by a contractually defined mechanism, was not included in the contract sum, as indicated in the report of the Secretary-General to the General Assembly at its forty-fifth session (A/C.5/45/53, paras. 19 and 20), and was estimated at an additional amount of ECU 9.2 million during the three years of construction.

12. There were three contract amendments (1 and 2 signed by the contractor on 9 June 1993 and ECA on 2 August 1993, and 3 on 19 April 1994), which increased the contract sum by ECU 2,375,603. In addition to this amount, amendment 3 provided for a lump sum payment of ECU 175,000 as settlement for the force majeure claim to be charged to the contingency and not to form part of the contract sum. The circumstances of the force majeure and the contractor's claims for compensation were described in the report of the Secretary-General to the General Assembly at its forty-seventh session (A/C.5/47/11, para. 10) and in the related report of the Advisory Committee on Administrative and Budgetary Questions.[1]

13. In addition, contract amendment 3 added 334 days to the period for substantial completion of the construction, thereby making the new completion date 28 March 1995.

2. Construction progress

14. Work on site started at a relatively slow pace and the contractor had only partially mobilized when a force majeure situation occurred from 22 May 1991 to 12 July 1991. This resulted in serious disruption to the mobilization process and raised related field problems, including insecurity for road transport, port congestion, fuel shortages, and so forth. As these conditions persisted, the original 36 months' completion period, i.e., completion by 29 April 1994, appeared unattainable.

15. In addition, it became evident to the Organization during the early stages of construction that the force majeure situation and related factors such as additional administration and site supervision would increase the contractor's costs. Further, shortage of skilled labour, inexperience of staff and

inadequate deployment of staff and equipment by the contractor added to the difficulties of the project.

16. In order to assess the situation and attempt to limit delays, United Nations Headquarters staff members visited both the site and the contractor's head office during 1991 and 1992. The United Nations subsequently agreed to an extension of time of 334 days for completion of the construction project on 28 March 1995 (granted by contract amendment 3 referred to earlier).

17. During the same period, in 1994, additional work and project changes were requested by ECA, which, inter alia, included electrical, mechanical and special system requirements such as additional and uninterruptible power supply, building automated control system and anti-intrusion security. Some of these changes were the result of modified user requirements, or for greater operational efficiency, and to take advantage of changes in technology since the original design was drawn, for example innovations in fibre optics.

18. As the cumulative impact of these changes became apparent, the contractor advised the Organization of its inability to meet the revised completion date of 28 March 1995 and that substantial completion would only be achieved in January 1996 followed by handover in April 1996. Detailed claims for extensions of time were subsequently submitted by the contractor.

19. During 1995, visits to the site were undertaken by independent experts who, in conjunction with the United Nations and the consultants (architect/engineer and quantity surveyor) for the project, reviewed the contractor's time delay claims. In addition, the revised programmes for completion of construction as well as procedures for testing and handing over were reviewed to ensure completion by the revised date without further delays.

20. As a result of additional pressure exercised by the United Nations, measures introduced by the contractor to improve the pace of work succeeded in the target date for handover being met on 22 April 1996.

3. Liability for making good defects upon substantial completion and handover

21. The 10-month contractual liability for making good defects commenced on the date of handover and would have been completed by 22 February 1997. However, owing to delays in obtaining replacement material and parts, not all the defects have been rectified to the satisfaction of the United Nations and the consultants. The consultant (architect/engineer) has, therefore, been unable to issue the certificate of completion and making good defects which would signify the end of the contractor's liability under the contract. Two options are currently being considered with respect to the outstanding work: (a) the contractor completes the outstanding work and the consultant issues the certificate; or (b) the consultant issues a modified certificate with a list of items to be rectified and a third party performs the repairs with the money withheld from the contract. The second option is a common practice in the construction industry as it is not always feasible to complete or satisfactorily complete all items according to specifications. There can be various reasons

for this, i.e. the specified fabric/material is not available or the exact colour of flooring, and so on cannot be attained. In these situations a value to complete these items is held back from the final payment and a modified certificate is issued.

22. However, as indicated in paragraph 8, the contractor would remain responsible for certain equipment under warranties and guarantees following the issuance of the certificate of completion and making good defects, and retain responsibility for any "provisions that remain unperformed" in accordance with clause 44 (5) of the general conditions of the contract.

23. The United Nations continues to hold a retention bond of ECU 1.25 million and ECU 250,000 in payments to the contractor pending completion of the repairs.

C. Contract for the installation of the telecommunications system

24. Although the contract for the telephone installation forms part of the overall project cost, the work was performed by an independent contractor supervised directly by the United Nations.

25. The contract with the contractor engaged to install the telecommunications system was concluded on 30 November 1994. It involved the design, manufacture, supply and installation, integration, testing and implementation (on a turnkey basis) of a voice communications system consisting of a private automatic branch exchange (PABX), a voice data communications cabling system, equipment and software, at an approximate cost of $3,252,550 (which included a $250,000 allowance for changes). Full system cut-over was to take place within 52 weeks of the date of entry into force of the contract and final acceptance within 90 days thereafter.

26. However, the contractor experienced various difficulties in reaching the envisaged completion date. These included importation of equipment, releases by the State Telecommunications Authority, decay of cabling during retention of same in customs areas exposed to climatic conditions and the installation of the telecommunications system itself being undertaken in parallel to the refurbishment and construction works at the ECA conference centre by a contractor separate from the main (construction) contract.

27. Owing to the delays and other complications associated with the telecommunications project, a series of high-level meetings were held at the United Nations Headquarters, both internally and with the contractor to identify a workable solution. Attempts were made to negotiate an amendment to the contract that could facilitate completion of the contract, without the loss by any of the parties of their rights under the terms of the contract concerning, inter alia, liquidated damages, out of scope work and so forth. An engineer from the Information Technology Services Division (ITSD) of the Secretariat surveyed the work completed to date and ITSD reviewed the requirements, developing a reduced scope of work for installation, measured by the number of outlets installed.

28. The contract was subsequently amended on 15 and 19 November 1996 in order, inter alia, to revise the scope of work by reducing the number of outlets to be installed from 2,649 to 2,252 and to extend the system cut-over to 15 November 1996 and final acceptance to 15 December 1996 for a total revised cost of $3,002,550.

29. However, further delays were encountered by the contractor and the project could not be completed in accordance with the amended contract. The contractor subsequently completed the PABX and cable network installation by 31 August 1997 and offered the telecommunications system for United Nations acceptance testing. During acceptance testing, minor deficiencies were identified for corrective action by the contractor, to be completed on or by 30 November 1997. The system stability test (availability test) over a consecutive 30-day period is scheduled to end by 30 November 1997.

30. The full potential of the telecommunications system as designed and installed cannot, however, be utilized as requests by the United Nations to the host Government's Telecommunications Authority for an increment on the trunk access capability to their central office, in-dialling facility, international dialling facility, and a metering signal or answered call supervision facility have not been met. However, the Organization continues to pursue this matter with the authorities.

D. Financial aspects

31. The estimated total project cost amounts to $115,228,494, of which $94.3 million or ECU 77.2 million relates to the settlement agreement with the main contractor detailed in the addendum to the report of the Secretary-General (A/C.5/51/37/Add.1) and discussed later in the present report. The balance relates to payments made or expected to be made to consultants for design and supervision, for furnishings and equipment (primarily telephone installation) and for United Nations administrative expenses. In addition, the balance includes an allowance for a potential claim from the contractor for the telephone system and a claim for extra works and loss of time encountered by the contractor.

1. Liability and claims for delay in construction

32. By the end of the five-year construction period, invoices and first statements of final account by the main contractor were in excess of ECU 73 million, on which it was estimated that fluctuations would amount to ECU 12 million, resulting in a total cost of work of ECU 85 million. In addition, the contractor claimed financial compensation in respect of virtually all the delays detailed earlier in paragraphs 14 to 20 of the present report. As first presented, on 18 November 1995, the claim amounted to approximately ECU 16 million. Later revisions taking into account continuing delays and escalating costs resulted in increasing the claim to approximately ECU 18 million. As a result, the total for construction, fluctuations and delays claimed by the main contractor amounted to approximately ECU 103 million.

33. At the same time, by the terms of the contract, liquidated damages could be claimed by the United Nations for delays caused by the contractor beyond the revised completion date of 28 March 1995.

34. Claims by the contractor that it was not responsible for any of the delays were considered and responded to by the United Nations after review of the claims and reports obtained from the consultants, assisted by independent experts.

35. While the United Nations acknowledged that part of the delay from 28 March 1995 to 21 April 1996 could have been due to changed requirements by ECA, the main contractor's contention that this was the cause of all of the delay was not accepted. Discussions on this question continued through 1995 without conclusion. As no additional extension of time was granted, the question of liability to liquidated damages became part of the overall time and cost claims. Discussions aimed at arriving at an agreed settlement with minimal or no additional financial implications started during the last week of September 1996 and culminated in May 1997 with the execution of a settlement agreement.

2. Settlement agreement

36. The final total settlement with the main contractor amounted to ECU 77.2 million ($94.3 million at May 1997 rates). As detailed in the addendum to the report of the Secretary-General (A/C.5/51/37/Add.1, para. 6), the settlement amount consisted of five separate sums, each of which is considered below. All of these sums are denominated in ECUs, the currency of the contract.

(a) Value of work

37. The settlement agreement included ECU 64.7 million for the value of the works before the addition for fluctuations. This sum contrasts with the contractor's evaluation and first statement of final account of more than ECU 73 million.

38. The contract sum contained a number of provisional sum allowances for work that had not been designed fully in the time allowed in the project timetable. During construction, those provisionally costed works were designed, measured and costed at bid rates for adjustment in the final account. Similarly, the final account was adjusted for differences between measured as-built quantities and quantities in the bid documents.

39. Variations in designs and specifications were additionally ordered by the United Nations to improve the facilities, to reduce maintenance costs, to allow for changed user requirements and for advances in technology. The final account was subject to adjustment for these variations.

40. The contractor's monthly payment invoices submitted to the United Nations concluded with the statement of final account required by the contract and issued in several versions during July and August 1996. All submissions were subject to detailed and extensive review and verification by the United Nations

and the consultants. The checks concerned compliance with the contract of all items claimed for payment as well as verification of all measurements, quantities and rates included by the contractor.

41. This checking procedure was difficult and time consuming and, in order to ensure no overpayment to the contractor, the consultants certified payments to a ceiling of ECU 62 million only, pending completion of the verification process. In addition to the retention of funds for the possible imposition of liquidated damages, the United Nations delayed payment on the final three certificates for payment issued during the closing months of construction.

42. In September 1996, although the quantity surveyor's verification of the contractor's submissions had not been fully completed, from the partial checks carried out it was evident that an approved final account for the value of works would be between ECU 62 and 66 million.

43. Cost appraisals by the quantity surveyor indicated that the adjustments for the final account would result in the following estimated aggregated extras to the revised contract sum of ECU 54,981,053 (in accordance with amendments referred in paragraph 11) for:

(a) General contractor's work: ECU 3.9-6.2 million;

(b) Electrical and special systems installations: ECU 2.4-3.7 million;

(c) Mechanical works: ECU 0.7-1.1 million.

44. On the basis of these estimates, the checked and approved final account would be between ECU 7 and 11 million less than the contractor's statement of final account. However, the contractor indicated that an imposed final account at the lower end of the estimate range would lead to major contractual disputes.

45. Main issues between the consultants and the contractor which precluded agreement of the final account at that time included: the consultants' evaluations based on their own interpretation of several major contractual differences, which the contractor would not accept; regression calculations and exchange rate adjustments necessary to reduce the cost base for new items to the contract cost base; additional cost of enhanced specifications provided by the contractor was not acceptable to the consultants in the absence of prior notification and approval; failure of the contractor to analyse original bid rates in detail, leading to difficulties in establishing profit margins and other mark-ups; failure to agree on extra costs for items originally offered by the contractor as "no extra cost" alternatives to items originally specified; failure to agree on rates for new items and inability of the contractor to accept the consultants' independent evaluations.

46. Most of these disagreements seemed insurmountable at the time and it was anticipated that the consultants' evaluation of the final account could be issued unilaterally only after extensive and time-consuming remeasuring of all items submitted by the contractor. The contractor would then have the choice of either accepting the consultants' evaluation or of disputing it through contractual procedures, possibly leading to protracted and costly arbitration.

(b) Fluctuations

47. The sums payable for the cost of inflation and exchange rate adjustments between the United States dollar, ECU and Ethiopian birr were calculated for each monthly payment to the contractor.

48. Estimates for fluctuations established in 1990 had been for a total increase of ECU 9.2 million. Despite the extended construction period, costs associated with inflation and exchange rate variations were moderate over that period. The consultant's final forecasts were for costs between ECU 9.3 and 10.3 million. It was not possible to finalize the total as the calculation depended on both final construction costs and the revised contractual date for completion, neither of which were available prior to the settlement. The final settlement agreement included ECU 10.3 million for fluctuations.

(c) Contractor's financial claim

49. Warnings of delays and additional costs, allegedly caused by the United Nations, were given by the contractor from September 1994 onwards, with a formal notice of intention to apply for both extension of time and the resultant additional costs issued on 16 December 1994.

50. During 1995 protracted discussions on these issues between the United Nations, the consultants, a team of independent experts and the contractor were inconclusive. The contractor finally submitted a claim for financial compensation amounting to more than ECU 18 million.

51. Following lengthy discussions and a detailed review of the claims of the contractor, it appeared that an offer in full and final settlement of the financial claim would be appropriate and in the best interests of the Organization. In order to arrive at this amount, consideration was given not only to the justification and validity of the contractor's claims as reviewed by the consultant (quantity surveyor), but also to the significant financial exposure for the Organization should the case proceed to arbitration.

52. Despite considerable negotiation between the parties it was apparent that no figure for the claim would be accepted by the contractor unless it formed part of an overall settlement.

53. The final settlement agreement included ECU 2.2 million for these financial claims, which took into consideration the recommendation made by the quantity surveyor for services provided by the contractor that were deemed reasonable and for which the United Nations received value, as well as administrative costs from delays entitling the contractor to further extension of time.

(d) Variations, financial charges

54. Excluded from the quantity surveyor's estimated ECU 62-66 million final account referred to in paragraph 42 were the costs of some acoustical and sound insulation works which had been carried out by the contractor, although not originally included in the contract. These related mainly to additional

insulation of walls, floors and ceilings in the mechanical rooms which further guaranteed the acoustic properties of the conference areas.

55. Additionally, the continued delays in making several payments during the final stages of the construction to avoid overpayment to the contractor, and in anticipation of the imposition of liquidated damages, resulted in the contractor incurring financial expenses. The liability of the United Nations in these respects was not clear. However, it appeared likely that an arbitrator could determine in part against the United Nations and these costs would be payable to the contractor. Having considered these points, the settlement agreement included ECU 2 million as a fair and equitable assessment of the costs.

(e) Liquidated damages

56. Although no official extensions of time for final completion were granted beyond the date of 28 March 1995, it was clear that not all of the delay was attributable to the United Nations but that the contractor was similarly liable. Despite extensive review of the contractor's submissions, no decisions could be reached as to the delays caused by each party. If, as requested by the contractor, a revised completion date of 13 January 1996 had been granted, the actual 99 days' delay for non-completion, i.e. the period from 13 January to 21 April 1996, would have resulted in the contractor being liable to liquidated damages in the approximate amount of ECU 2 million.

57. Consequently, the settlement agreement included a deduction of ECU 2 million for liquidated damages caused by delays attributable solely to the contractor.

III. AUDITS CONDUCTED

58. As requested by the General Assembly in its decision 51/488 of 15 September 1997, the Secretary-General has sought the views of the Board of Auditors and the Office of Internal Oversight Services (OIOS) regarding its audits of the construction of the conference centre at Addis Ababa. The views of both the Board and OIOS are summarized hereunder.

59. Recent audits conducted by the Board of Auditors for the bienniums 1994-1995 and 1996-1997 which referred to the construction at Addis Ababa included consideration of, inter alia, deficiencies in the selection procedure for the main contractor and quantity surveyor, deficiencies in the planning and design of the project, and the delay of over one year in completion of the centre resulting in a cost overrun of 30 per cent, part of which was attributed to the inexperience of the contractor, his failure to deploy adequate staff and variations to the terms and specification of the original contract. The auditors noted that the delays in completing the project also led to additional expenditure on supervision to compensate for additional technical support it had to provide in view of the failings of the main contractor.

60. Concerning the selection of the main contractor, the auditors noted that the lowest bidder for the contract had been rejected on the grounds that he had misinterpreted the bid documents and this had led to the selection of a

contractor $1.15 million costlier. The auditors considered there was a case for pursuing the matter or negotiating with the next higher bidder. The Board consequently recommended that criteria for pre-qualification of contractors should be established before selecting firms for issue of requests for proposal and that contractors who do not meet the established criteria should not be invited to participate in tenders. In addition, the audit had concluded that the selection of the quantity surveyor for the project could not be taken as based on competitive offers. Even though 67 expressions of interest from various contracting firms were received, of the five firms shortlisted for issue of requests for proposal, four were eliminated for technical or other reasons.

61. As concerns variations, the auditors considered that midstream modifications resulting from deficiencies in planning and design had led to delays in construction and represented avoidable additions to the cost of the conference centre.

62. During the same period, similar audits of the construction facility at ECA were conducted by the OIOS. These included a review in the field as part of the overall audit of ECA, at United Nations Headquarters as part of the audit of general procurement management and the third focusing on the management and operation of the conference facility following completion of the construction.

63. The most recent audit findings as they related to the ECA construction project were addressed as part of an audit of procurement management conducted between February and October 1995. In this case, internal control over the administration of a number of contracts at ECA was reviewed, including the contract for architectural and engineering services for the construction of the ECA conference centre. Shortcomings noted included the raising of the contract amount for architectural and engineering services by $2.4 million without the required prior clearance of the Headquarters Committee on Contracts; the ex post facto establishment of certain rates for overhead expenses and salaries of the site field staff, involving the retroactive payment of $412,000 to the contractor; the need for the involvement of the Procurement Division in vendor negotiations and contract amendments; delays in the completion of the construction works, resulting in additional costs to the Organization of ECU 26,267 a month for the above services, and the non-application of a contractual provision under which the contractor was to pay a penalty of ECU 20,000 for each month's construction delay.

64. It should be noted that the Administration's comments and clarifications on the views of the Board of Auditors and OIOS outlined in this section are contained in the responses to management letters and internal audit covering these issues.

IV. CONCLUSION

65. As reported to the General Assembly at its fifty-first session, despite the numerous delays and difficulties encountered during implementation of the project at Addis Ababa, substantial completion of the new conference facilities occurred on 21 April 1996 with handover of the premises on 22 April 1996.

66. As indicated in the addendum to the report of the Secretary-General (A/C.5/51/37/Add.1), estimated total project cost remains at $115,228,494 pending final payments of all outstanding and anticipated claims and currency fluctuations at time of payment.

67. The construction progress of this project has been closely monitored on a continuing basis by the United Nations since its inception, including numerous missions from Headquarters, as described in annex II. Additionally, since 1992 to date, extensive audits of this project have been conducted, as described in section III above.

68. In accordance with General Assembly resolution 39/236, progress reports will continue to be submitted to the General Assembly until all aspects of the construction project at Addis Ababa, including the installation of the new telephone system, are completed. As at the end of October 1997, the certificate of completion and making good defects in the construction has not been issued, pending rectification of defects raised by the United Nations and brought to the attention of the main contractor. Further, acceptance and stability testing of the telecommunications system are proceeding.

Notes

[1] Official Records of the General Assembly, Forty-seventh Session, Supplement No. 7 (A/47/7 and Add.1-17), document A/47/7/Add.2, paras. 2 and 3.

ANNEX I

Selection of meetings held at Addis Ababa

1996

April	-	17th meeting of the Technical Preparatory Committee of the Whole
May	-	17th meeting of the Technical Preparatory Committee of the Whole and the thirty-first session of the Commission and 22nd meeting of the Conference of Ministers
July/August	-	United Nations Educational, Scientific and Cultural Organization, Global strategy meeting
August	-	Global Coalition for Africa Consultative Conference
November	-	Ad hoc Group Meeting on Resources for Increased Production and Utilization of Non-Conventional Food Resources as a Source of Food in Africa
	-	Organization of African Unity (OAU), meeting on developing negotiation and mediation skill
	-	Ninth United Nations Cartographic Conference for Africa
December	-	International Council on the Management of Population Programmes, 14th International Seminar on managing quality reproductive health programmes
	-	Association of African Universities, Pan-African Symposium: "Problematic of an African Philosophy Twenty Years Later"
	-	Cabinet Office of the Executive Secretary (COES), Meeting of the Executive Secretary with African ambassadors and plenipotentiaries at Addis Ababa

1997

January	-	Meeting on enhancement of the capacity of indigenous non-governmental organizations (NGOs) in Ethiopia
	-	Third African Workshop on Human Rights Education
	-	Expert Consultation on Operationalizing Programmes
February	-	OAU/Office of the United Nations High Commissioner for Refugees, Seminar on Mobilizing Resources and Public Awareness for Refugees in Africa

	-	World Bank/University of Addis Ababa, African Virtual University - Inaugural training workshop
	-	Ministry of Water Resources, Nile in 2002
March	-	COES, Special initiative on Africa, working meeting
	-	Ethiopian Government Women's Affairs, International Women's Day
	-	Embassy of France, on the occasion of the centenary celebration of the Embassy of France, "La Dictée"
April	-	Economic and Social Policy Division (ESPD), sixth session of the Conference of African Ministers of Finance: Experts and Ministerial Conference
	-	UNESCO, Culture and Development Workshop for Southern and Northern English-Speaking African Countries
	-	COES/Programme Planning, Finance and Evaluation Division, 18th meeting of the Technical Preparatory Committee of the Whole, Conference of Ministers
May	-	OAU, meeting with diplomatic corps and international organizations, Special Emergency Assistance Fund for Drought and Famine in Africa
	-	COES, NGO Forum on Governance
	-	Ethiopian Private Industry Association (EPIA), Employees Federation
June	-	Food Security and Sustainable Development Division, Second General Assembly of the African Population Commission (APC)
	-	COES/ESPD, Forum for cost-sharing in the south section (ECA/World Bank/United Nations Children's Fund)
	-	UNESCO, Peace-building, conflict resolution and national reconciliation: Communications for peace-building
July	-	COES/United Nations Development Programme, Africa Forum on Governance
	-	Development Information Services Division (DISD), National Workshop on Information Technology
	-	COES, Change management steering committee meeting

August	-	Eleventh Workshop on Rural Development in Sub-Saharan Africa
	-	Ethiopian Government, Women's meeting, fourth international conference
	-	United Nations Conference on Trade and Development, Automated System of Customs Data/Customs Project
September	-	Seminar on economic integration and transboundary resources
	-	DISD, Programme Presentation Day
	-	World Bank, Training programme
October	-	All African Conference of Churches, seventh Assembly Conference
	-	COES, Tokyo International Conference for African Development (TICAD) II, expert group meeting
	-	United Nations Industrial Development Organization, Ministerial Meeting

ANNEX II

Schedule of visits of Headquarters staff to the site and/or consultants during the construction project, 1991-1996

1991

January	-	Meetings in Rome for discussions and negotiations with potential contractors
February	-	Participation in meetings at the architects/engineers office in Rome - reviewing the final drawings prepared by the architects/engineers required for the signing of the construction contract. Travel to Addis Ababa for signing of the construction contract and arranging tours of the United Nations
March	-	Meetings with the architects/engineers and contractor. Initial meetings with contractor to concentrate on: (a) setting up a timetable for commencing construction and for each phase of the construction period; and (b) interviews of construction superintendent
July-August	-	Meetings at Addis Ababa regarding construction project
November	-	Travel to Rome for meeting with ECA, the architects/engineers and the contractor. The Director of the Buildings and Commercial Services Division of the Secretariat also attended meetings. Meetings concentrated on policy issues with the top management of the contractor

1992

February-March	-	Meetings with ECA, the consultants and the contractor on: (a) contract administration and procedures for approval of payments and variation orders; and (b) review of construction progress to date
March-April	-	Participation in meetings with ECA, the consultants and the contractor's site staff. Meetings on contract administration and procedures for approval of payments and variation orders, review of construction progress
May-June	-	Participation in meetings with ECA, the consultants and the contractor to review variation orders and construction progress
August	-	Meetings with the consultants and the contractor to review force majeure claims, programming problems and construction progress

November-December	-	Meetings with the architects/engineers and the contractor on force majeure claims, programming problems and revised date of completion of construction
1993		
January-February	-	Meetings with the consultants and the contractor at Addis Ababa to review outstanding matters. Chairmanship of quarterly meetings in Rome and discussions with contractor on claims
1994		
February	-	Finalization of discussions regarding settlement/withdrawal of force majeure claim by contractor. Meetings with ECA representatives, consultants and contractor's senior management
March	-	Chairmanship of quarterly meetings with the Office of General Services, ECA, architects/engineers, quantity surveyor and contractor to review construction progress, represent United Nations on various time-critical issues, i.e., remedial work of roof finishes, etc., and review progress on host Government issues, i.e., rebuilding roadways to new conference centre
June	-	Chairmanship of regular quarterly meetings to review construction progress, revise project estimates and timetable, etc.
1995		
March	-	Together with a team of experts, travel to Addis Ababa to review and evaluate the situation and progress on the construction of the conference facilities
October-December	-	Travel to site to monitor the final construction stages
1996		
March	-	Travel to the construction site to assess the project and recommend corrective action, and to ensure finalization of all outstanding items

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